



# Governor's Office of Economic Development

State of Utah

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**Governor's Office of Economic Development to launch the Utah Health Exchange**  
*Utah sets a standard for state-based health reform*

**SALT LAKE CITY, Utah** – Utah Governor Gary R. Herbert and the Governor's Office of Economic Development Office of Consumer Health Services launched the Utah Health Exchange today in a ceremony in the Gold Room of the Utah State Capitol.

The Exchange, a web-based health insurance "marketplace," will serve as a single shopping point allowing consumers to evaluate their health insurance options and execute informed purchasing decisions.

"Health system reform is critical to economic development for the State of Utah, and I am thrilled that Utah is leading the way with an innovative private sector option," Governor Herbert said. "While we are still far from finished with reform, the opening of the Utah Health Exchange represents an unprecedented partnership between Utah's business and insurance communities. This should be a model for other states that are interested in private sector solutions."

At this initial launch, two major components of the Exchange will be functional. One component will be the technology backbone for Utah's newly created "defined contribution" market. In the defined contribution market, small employers (those with two to 50 employees) will be able to choose specific dollar amounts to contribute toward employees' health insurance premiums. In this new market, employees will be allowed to use their employer contribution and their own money to "shop" for health insurance at the

Exchange. They will have the opportunity to compare a variety of plans offered by participating insurers and choose the one that best fits their individual and family needs.

The defined contribution market helps Utah employees by giving them expanded choice and access to health plans. It will also benefit employers because they will no longer bear the full burden of choosing and administering a health plan for their employees. Defined contribution arrangements will also enhance competition and transparency in Utah's health care system.

The second component of the Exchange that came online during the initial launch is the opportunity for those wishing to purchase coverage in the Individual and Family Plans (IFP) market to use a single shopping point. That segment of the Exchange will allow consumers to shop in the way that works best for them. Through the Exchange, consumers now have the ability to: 1) find an insurance broker; 2) purchase coverage directly from an insurance company; or 3) use an online shopping tool to find, compare and apply for private health insurance plans all in a single location.

Over time, other features of the Utah Health Exchange will become available, including allowing large employers to offer a defined contribution plan, providing consumers with cost and quality information, and helping people identify and apply for public programs.

The Utah Health Exchange has been made possible through the participation of several private companies. The first contracted partner providing the comparison shopping tool for the IFP market is eHealth, Inc. A second partner, bswift, Inc. will provide the technology behind the new defined contribution market. HealthEquity, Inc. is the contracted vendor that will handle the financial transactions of the new defined contribution market.

At today's event, Speaker of the House David Clark addressed the significance of the Utah Health Exchange and three employer groups simultaneously registered their businesses and organization in the Utah Health Exchange. They were:

--Salt Lake Chamber of Commerce  
--FirstWest Benefits Solutions  
--Klein Cabinets

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#### **About the Utah Governor's Office of Economic Development (GOED)**

The Governor's Office of Economic Development (GOED) charter is based on Governor Herbert's commitment to economic development statewide. The mandate for this office is to provide rich business resources for the creation, growth and recruitment of companies to Utah and to increase tourism and film production in the state. GOED accomplishes this mission through the administration of programs that are based around industries or "economic clusters" that demonstrate the best potential for development. GOED utilizes state resources and private sector contracts to fulfill its mission.